



H.R. 3526 – To include all banking agencies within the existing regulatory authority under the Federal Trade Commission Act with respect to depository institutions, and for other purposes

FLOOR SITUATION

H.R. 3526 is being considered on the floor by suspending the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Barney Frank (D-MA) on September 14, 2007. The Financial Services Committee approved the bill, as amended, by voice vote on October 23, 2007. The Energy and Commerce Committee approved the bill, as amended, by voice vote on October 30, 2007.

H.R. 3526 is expected to be considered on December 5, 2007.

SUMMARY

The bill grants rulemaking authority to each federal banking agency to prevent unfair and deceptive financial acts by financial institutions within their jurisdiction. It also requires the agencies to issue these regulations jointly to the extent practicable. Additionally, H.R. 3526 requires the General Accounting Office (GAO) to report on the status of regulations of the federal banking agencies and the NCUA regarding unfair and deceptive acts.

BACKGROUND

Protecting consumers from unfair and deceptive practices of financial institutions is an important task. Under current law, the Board of Governors of the Federal Reserve, the Federal Home Loan Bank Board, and the National Credit Union Administration have this rulemaking authority.

The Federal Deposit Insurance Corporation examines and supervises approximately 5,250 banks and savings banks, which represents more than half of the institutions in the banking system. The Office of the Comptroller of the Currency (OCC) charters, regulates, and supervises all national banks. While it has rulemaking authority governing banking investments and lending, the OCC does not have rulemaking authority over many aspects of federal consumer protection.

COST

The Congressional Budget Office estimates that implementing H.R. 3526 would have a negligible impact on federal spending.

STAFF CONTACT

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